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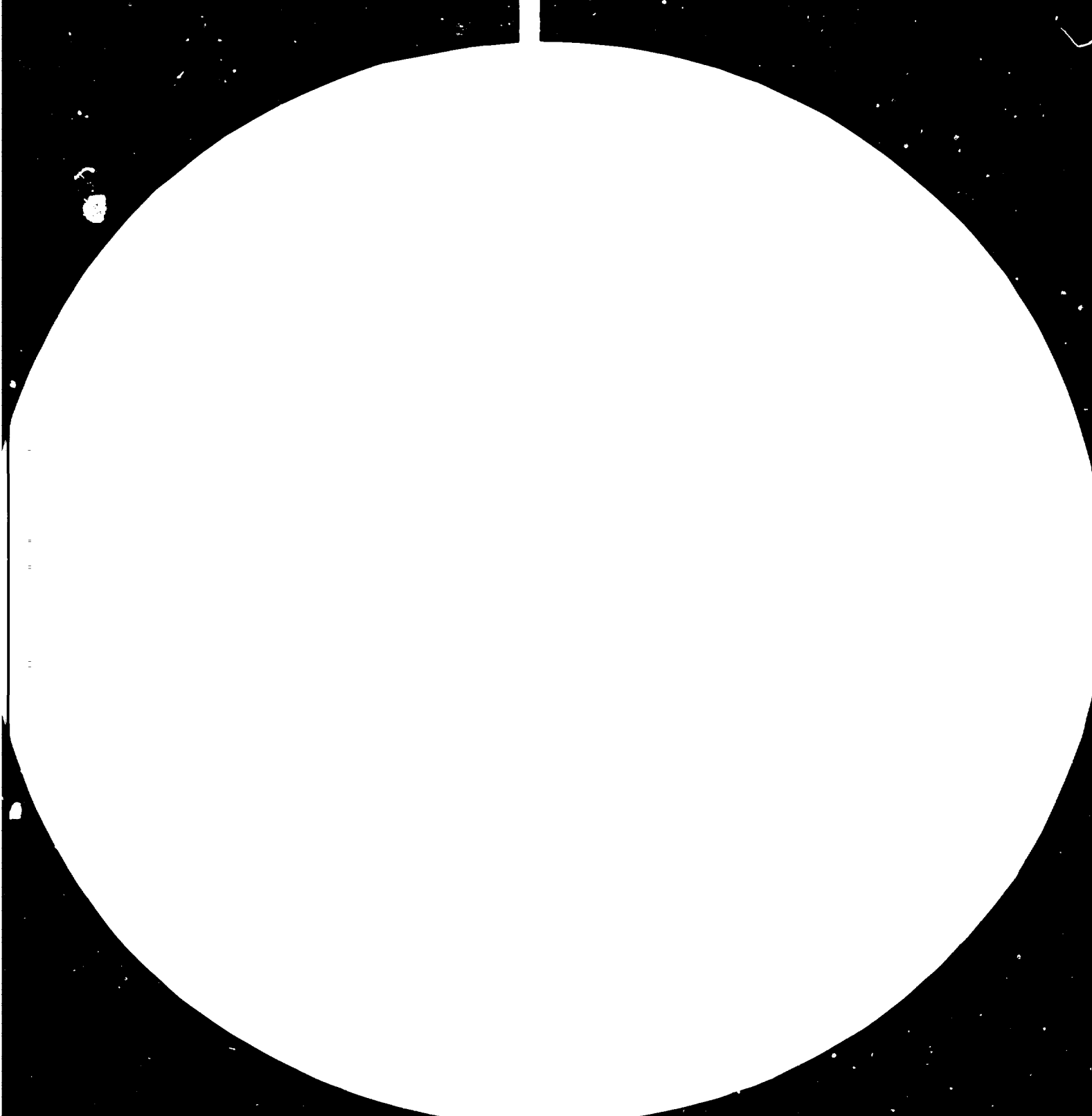
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UNIDO ASSISTANCE IN DEVELOPING
AND CONSOLIDATING THE CEMENT INDUSTRY
IN THE DEVELOPING COUNTRIES

Prepared by the secretariat of UNIDO

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I. INTRODUCTION

Development of the cement industry is part of the mandate to promote industrial development in the developing countries given to UNIDO upon its establishment in 1967. Assistance is provided at both the policy-making and the operational levels. In view of the paucity of the resources available to UNIDO to support industrial development in general, however, the initiative must be taken in the developing countries themselves in order to ensure progress. UNIDO can point out to national authorities how important the cement industry is in terms of overall development, and give support at the operational level - but without a national commitment no progress can be made.

II. POLICY-MAKING ACTIVITIES

Assistance at the policy-making level is based on those dialogues that take place at all kind of meetings between UNIDO and the developing countries and among the developing countries themselves where development priorities and strategy are discussed. In accordance with the mandate given to it at its establishment, UNIDO has helped many developing countries to promote their industrialization process, to the benefit of their general social and economic development. There is still a long and difficult way to go, however, and progress cannot be expected to be continuous; sometimes, indeed, there is even back-sliding in development, which necessitates starting projects in situations that are more difficult than they were several years ago. A principal aim of the United Nations is to avoid such negative developments, by helping to preserve peace among nations and promoting international co-operation. Once Governments sit around the same table in peace, plans can be made for the future.

Admittedly, industrialization is not the only development process of importance, but without industrialization, it is suggested, society might revert to the conditions of the middle ages. Adequate supplies of building materials are important to the development of sectors such as health, industry, agriculture and education, as well as infrastructure. Of these materials, cement - next to steel - is probably the most important and the most versatile. This is why UNIDO so frequently organizes meetings and seminars to discuss the development and consolidation of the cement industry. It is intended to continue

organizing technical meetings and training workshops in the field, but an attempt must also be made to look into the future and to assess what resources of manpower, energy, financing and equipment will be needed to secure the uninterrupted development of the cement industry.

The starting point of any such assessment would consist of a forecast of cement demand, and this would entail preparatory work and subsequent adjustments. As a follow-up to the forum, therefore, UNIDO would like to enter into correspondence with each one of the participants to discuss expected developments in the cement industry up to the year 2000. Such forecasts may err up to 5 per cent for each year forecast: they are only of value, therefore, if they are updated every second or third year. Nevertheless, with a reasonable forecast in hand, and with the help of raw materials surveys, feasibility studies and training, it should be possible to prepare in good time for the further development of the industry.

These activities are obviously operational activities, but they derive from the policy-making discussions mentioned above. There is a logical change of emphasis from the policy-making through the supporting to operational and direct technical assistance stages. The essential thing is that development ideas are being implemented, and even before an idea is realized, the next one is on the way - and so on. Operational and technical assistance, however, entails more than the realization of earlier formulated ideas. It is also an independent activity designed to safeguard continuity of operation and to improve the technical environment. The paragraphs that follow describe operational activities that could be activated in co-operation with the Governments of the participants, should they so desire, and provided UNIDO disposed of the necessary funds.

III. OPERATIONAL ACTIVITIES

The technical assistance or operational activities of UNIDO concentrate on supplementing and supporting national initiatives to develop and consolidate industry. Practically all this assistance contains a training element which should, during the project period, help to eliminate the need for further assistance in the particular field. Since the budget available to UNIDO is rather limited, the Organization must concentrate on avoiding routine assistance and to

concentrate its efforts on key activities. The most important of these activities is the provision of advisory functions: national officials or teams are helped to carry out their work under the guidance of industrialists and engineers having long experience in industry.

A recurring development problem is to find the right solutions to problems thrown up in the continuing process of evaluation and decision making. Development of the cement industry usually entails close co-operation between international consultants and suppliers of equipment. The problem is to know enough to make good use of the services available, within the budgetary limitations. This is true no matter how one goes about developing the industry. If the client (or the national team) is insufficiently experienced to develop the industry, he can end up facing all kind of problems. A few examples from the past will show how serious the implications can be.

The classic mistake is to make only a superficial or no raw materials survey at all. There are cases of raw materials sources having been identified only after the complete plant has been built. In other cases, factories have been built close to apparently suitable sources of raw materials; but the best part has been used up during the start-up and running-in period, with the result that the factories have had to use the remaining, inferior, raw materials for the rest of their lifetime. Faulty factory layout is another problem: this results in built-in bottle-necks and long and expensive transport distances, among other things.

These are examples of what could happen under the worst of circumstances. Concerned parties who find themselves confronted with a situation where they lack sufficient experience can best protect themselves by obtaining impartial advice from UNIDO. Unfortunately, for reasons unknown to the Organization, UNIDO is too often called in too late. When plants have the right experts with them from the beginning - to safeguard their interests during the preparatory and negotiation phases, and during erection and start-up - they can usually save up to 10 per cent on investment and operating costs. Again, however, the reality of the situation is that UNIDO is not often called in to safeguard new projects, but more often to correct mistakes made during the development period. The type of assistance provided under these circumstances also includes trouble-shooting, and training of personnel.

Another type of assistance UNIDO engages in is the establishment of service facilities for the cement industry. This allows national personnel engaged in the engineering fields to gradually accumulate experience from various plants and use it successfully in others. Finally, it should be remembered that the lowest offer is not always the most advantageous, when operating and repair costs are taken into consideration. A "cheap" solution has often proved to be very expensive.

Only through careful analysis of the alternatives can it be determined which solution is best. UNIDO is aware of the almost unlimited resources of know-how that are available, but has only very limited financial resources to acquire it. Its work, therefore, is largely a matter of mobilizing as much assistance as possible for the funds available. So far, the Organization has been able to find sound solutions to many problems. With the growth of the industry, however, mistakes become more and more expensive. Those intending to make use of UNIDO assistance - whether for planning the building of new factories or the evaluation of new proposals - ought therefore request it as early as possible. Action must be taken as soon as things start to go wrong; every day's delay will increase the losses.

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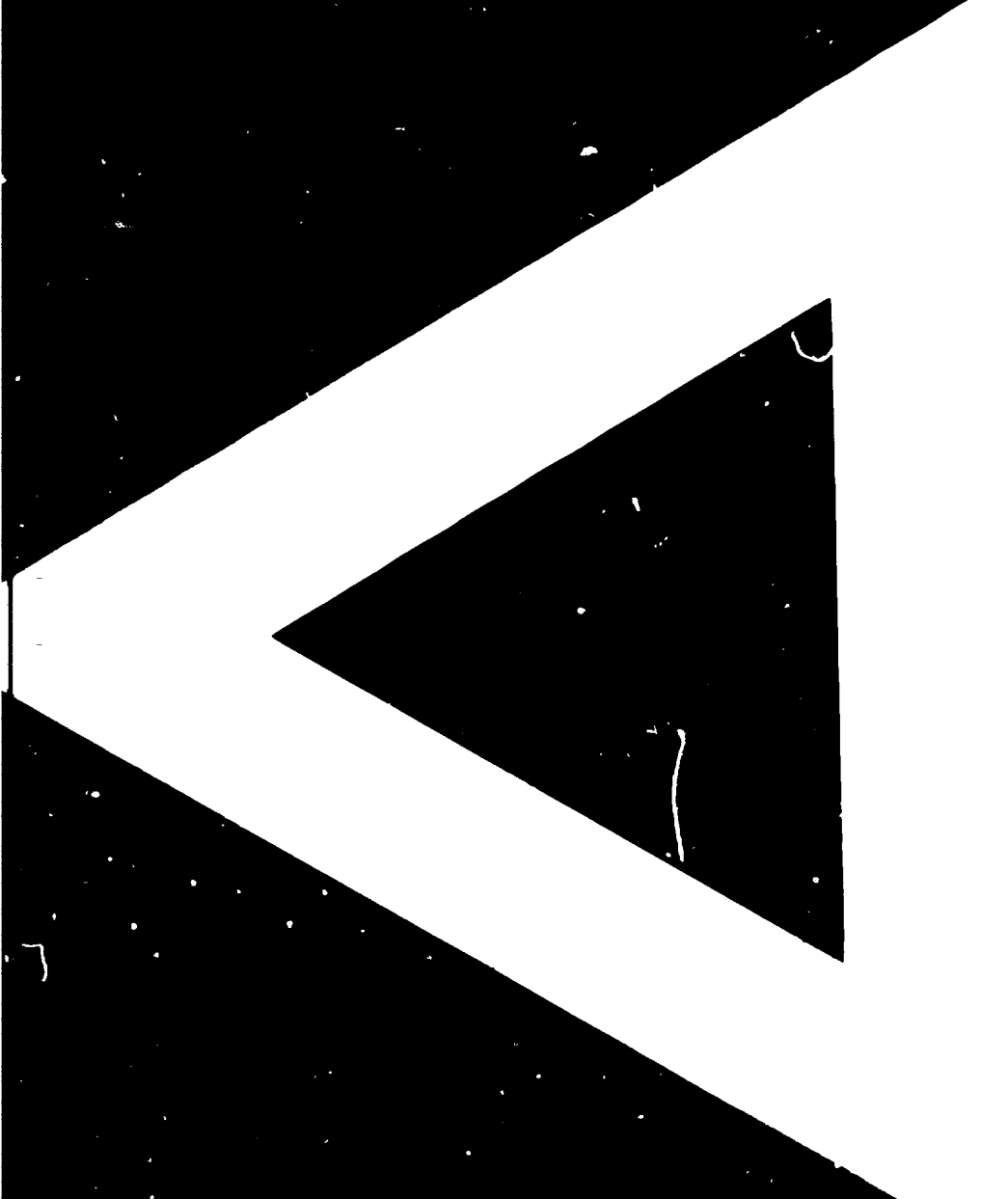
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